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Online Strategies for Offline Businesses

The Case of Millennials and Shopping Centres (Sonae Sierra)

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Abstract

The project, conducted within a direct research internship at Sonae Sierra, aims to propose innovative digital approaches for Shopping Centres (SC) to deal successfully with millennial consumer behavior concerning digital devices and online content in relation to shopping. An online survey followed by a focus group were conducted for this purpose. Results show a demand for specific digital services created by a SC and that their perception depends highly on gender of millennials. Moreover it's a cohort seeking for personalized content, providing emotional or functional benefit. Consequently a SC must deliver services, as presented in this work satisfying those needs.

Keywords: Millennial Marketing, Shopping Centre, Digital Strategies, Content Marketing

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1. Introduction, challenge and purpose

Despite the weakened European economy, Shopping Centers (SC) in Europe reached a record high of €524.7 billion in 2014 and count as the main driver for the European economic productivity (ICSC Research 2015). Although contributing positively to the economy the SC industry is facing significant changes, which confront it with challenges. The two main factors influencing the present and future of SC's are developments in technology and the transformation in consumer behavior, which go hand in hand with each other (Amaral, Moitier & Martinez-Ribes 2014). "The world of retail is changing dramatically, but the mall still can have a central role in urban and suburban societies" (Fantoni, Hoefel & Mazzarolo 2014). This quote shows, that these developments are not necessarily harming the industry but provide SCs with new opportunities which were unimaginable in the past. Since SC are a living experience, usually not providing products and services directly, the use of digital communication can be a chance to connect directly with the end-consumer. The question arising is how to use technology in order to reach, connect and satisfy customers. It is not solely about choosing a channel and feed it with content, but about creating a seamless shopping experience, especially expected by millennials.¹ Therefore every touch point has to be considered for a digital strategy. Specifically for SC this poses an exceptional possibility to link off- and online experience with an omni-channel approach, to create an excellent profound shopping experience.

Sonae Sierra is the international SC specialist, located in Portugal, which main services include investment and asset management, development and letting and management of its SCs,² whereas the latter will be the subject for this project. The strategic marketing department is focused on managing tenant's relations concerning marketing activities and the positioning, IMC plan and branding of the SCs. This implies that it is highly important to coordinate a SC

¹ Millennials, the generation Y or digital natives is the generation born in between 1980-2000 and is the succeeding generation of the baby boomers. There is no unified definition concerning the year of birth in the literature. For this paper the definition of the Council of Economic Advisors (2014) will be used.

² Worldwide the company manages 92 SCs, whereas 46 are owned by Sierra and 46 by third parties, but managed by the company.

marketing with retailer's activities to achieve best results which shows that the main business is B2B, having a SCs tenants as their customers. In order to provide them with excellent service, Sierra is responsible to promote foot traffic among end-consumers and to constantly improve the SC brand. Recapitulating, SC marketing can be divided into 3 areas: marketing activities in cooperation *with* retailers, marketing *aimed to* retailers in order to gain them as tenants and finally, the new challenge, which is to *reach end-consumers directly*, since the focus so far was not on direct consumer shopping. The latter's purpose is to impact consumers at each stage of the new consumer decision journey (CDJ), meaning before, during and after the actual SC experience encouraging them to enter the loyalty loop without considering other SC in the future. Improving the relation with the brand, engage them with it and thus turn them into loyal customers via digital services is the main purpose. The final aim for Sierra is to change a SC visitor into a client,³ which means to get specific personal insights and based on them, attain a more personalized and sophisticated conversation. The focus will not be on online retail, but to deliver a valuable experience and additional interactive services through digital devices. At the moment no predefined digital strategy exists in the company, but first projects are in progress. Currently, three projects are under way within Sonae Sierra SCs for the purpose of starting to get a more detailed picture of those future clients:

- 1) Promofans (PF): a website, existing also in the SC app, including daily deals, where consumers download a voucher which can be redeemed in the SC's stores. This project is already launched in Portugal and Spain.⁴
- 2) Fashion4Me (F4M): a recently launched fashion recommendation site in Spain and Germany, giving fashion recommendations of products of the SC brands.⁵
- 3) Agenda: aims to inform about events in the SC. This site is not launched yet.

³ Visitors are people entering a SC, turning into clients once the company has more personal details and information about them.

⁴ promofans.pt

⁵ <http://www.luzdeltajo.net/fashion4me/> (each centre has its own platform, since the tenants mix is different in each SC)

The objective of the study is to get insights on millennial consumers answering the following questions: how can millennials be reached digitally and which services and contents have to be provided in order to incentivize them to use the digital channels and consequently visit the SC? Besides thinking about new services, a focus will be on analyzing and researching consumer's attitudes towards current digital projects of Sierra in order to improve them according to their status and exploit their potential at the fullest. This is especially important for the managers in order to gain insights on consumer's perception in relation with these services.

2. Literature review

The following chapter provides an overview of the literature concerning digital strategies and current developments in digital content. Additionally, insights are given on *millennial marketing* and on how to reach them successfully.

The term digital marketing (DM) has no concrete definition in today's literature. It is an elaboration based on the traditional marketing.⁶ It is relevant not to reduce digital to online activities, since especially for a SC, as a living experience with mostly foot traffic, it is essential to combine online with offline DM activities.⁷ Due to the fact that SC's are offline businesses without optimal requirements to supply e-commerce, content marketing (CM)⁸ is an opportunity to provide a broader value proposition throughout the CDJ via digital services (Fantoni et al. 2014). CM gets more attention across all different industries, including the SC industry, and has to be integrated into the overall digital strategy. It is only distributed through owned or earned media, while paid media plays no significant role. Consequently the companies' created channels⁹ are necessary to spread qualified content (Pulizzi 2014).

⁶ "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." (American Marketing Association 2013)

⁷ Consequently the term digital strategy will be used in the following instead of online strategy. "An activity is considered as digital, if it relies on digital devices and channels in order to pursue the intended aim" (Horton & Kaufmann 2015, p. 106).

⁸ "CM's purpose is to attract and retain customers by consistently creating and curating relevant and valuable content with the intention of changing or enhancing consumer behavior. It is an ongoing process that is best integrated into your overall marketing strategy, and it focuses on owning media, not renting it." (Content Marketing Institute).

⁹ The following channels are existent at the moment: homepage and further platforms, apps, social media profiles and offline digital devices

Following *Lieb* (2012) owning media allows for more freedom considering length and format of the content and for the active conversation with the consumer. In contrast to traditional marketing the content is not aimed around the product and selling it, but to provide users a service, to educate, connect or to entertain them. CM is a pull strategy and not a push strategy. Forms of CM are typically text, video or other media, providing value that helps to build the brand over time. Besides encouraging people to visit the SC and enter tenant's shops, a SC has to entertain their end-customers in multiple ways. Generating qualified content has several benefits, like increasing brand awareness, customer retention and satisfaction and thus brand loyalty (Pulizzi 2014). Thereby the main goals, connecting with the end-customers and delivering an entertaining experience, can be achieved with CM.

Likewise many different businesses the retail industry is influenced strongly by the digital revolution. The internet and new digital devices give retailers not only new opportunities to market products and brands but at the same time empower consumers to a high extend. This is one of many reasons for the rising of the so called new consumer, who has more and faster access to information, more channels to communicate and the influence on retailers is getting stronger. Not only the way to seek for information beforehand has changed, but also the way consumers actually behave while and after shopping (Lobaugh, Simpson & Ohri 2014). Consequently it is necessary to understand the complete new CDJ¹⁰ in order to use a digital strategy efficiently to reach consumers. While leading the customer through this path four important factors have to be considered to achieve a competitive advantage (Edelman & Singer 2015):

Automation: allowing consumers to digitize complex steps, which were made manually so far, like change printing of vouchers into a mobile solution.

¹⁰The new CDJ gives consumers advantages due to technologies, to evaluate products/services and add and reduce brands during the consideration and evaluation stage until the consumer purchases in the buying stage. The so called feedback loop, where products were evaluated again after the purchase, changed. Skipping the consideration and evaluation in the post-purchase phase and get consumers directly into the loyalty loop by shaping and influencing the CDJ with the use of technology is considered the new CDJ (Edelman et al. 2015).

Proactive personalization: take information from past purchases or external data and use them to personalize all steps within the CDJ, like giving specific recommendations.

Contextual interaction: gain knowledge on the stage the customer is situated in the journey in order to lead him into the next interactions, for instance via push messages in the store.

Innovation: use consumer data analytics and develop new services based on this.

The above mentioned developments seem to be more important in a specific type of population. Considering the new consumer and the digitalization millennials get in the spotlight of this study, which represent an important future clientele base counting for 18% of the population in Europe by 2020 (Amaral et al. 2014). Growing up with technology and consequently having higher digital demands, marketers need to understand this specific generation.¹¹ Millennials compared to other generations are not a homogenous group, being diverse in their shopping behavior. Following *Fromm & Garton* (2013), the most important characteristic which has to be taken into account concerning the shopping behavior is gender. Therefore it is of high importance to know the different target customers in order to segment the results and approach each segment with personalized services and content.

The generation Y in fact spends more time online, seeking for entertainment, information and education. Although having different preferences the digital natives are similar in demanding an individualized experience, where personal involvement place a significant role. Consequently it will be more difficult to reach the millennials through conventional media and marketing means according to a study by *PWC* (2015). As mentioned, their behavior and engagement will influence and shape the retail environment and at the same time retailers need to understand how to influence them. “Millennials are 262% more likely than the average shopper to be influenced by smartphone apps, 247% more likely to be influenced by blogs or social networking sites, and 216% more likely to be influenced by in-store touch screen displays

¹¹ Since no concrete studies are available for European millennials, as a proxy, studies conducted in the USA will be used for this paper.

than any other generation” (Fromm et al. 2013, p. 54). Digital natives need the possibility to access any information within one click, determining efficiency of the transactions a driver for the buying decisions. This also implies that one of the most important attribute is speed, whether online or the in-store experience. The term mobile moment of truth arouse, meaning that decisions during the CDJ are driven by using mobile devices, which is inevitable in today’s millennial lives (Sprint 2014). Studies show that millennials are using mobile devices more regularly then other generations during the whole journey, posing functional¹² as well as emotional¹³ benefits to them, which have to be provided and satisfied by retailers in order

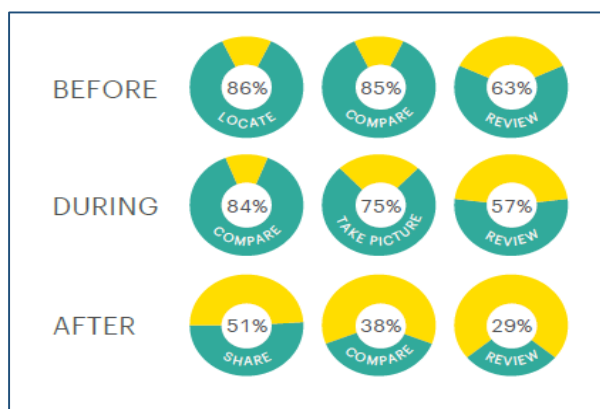


Figure 1: The smartphone’s role throughout the shopping experience (Source: Sprint 2014, Mobile moment of truth-understanding mobile in-store)

connect successfully. Figure (fig.) 1 shows the purposes for using mobile devices. The study detected that main reasons, during the journey at each stage, are reviews from other consumers, and thereby receiving product information, and price comparisons. If the first step of making the millennials enter your

store is achieved, the assumption arises that mobile sites of retailers are more essential than the websites, since in-store mainly mobile devices are used. This is the moment were their needs have to be satisfied, whether it is to offer them price comparisons or give the opportunity to have insights into experiences of their peers (Fromm et al. 2013). It is necessary to channel them to the companies own mobile sites with the support of offline visual tools like QR-codes. To achieve a seamless experience the focus should not exclusively be on a mobile experience, but rather on leveraging the on- and offline effect and integrate it as fitted as possible into the store experience. Consequently the in-store experience has to be merged with what is shown and offered online (Sprint 2014). Another fact that has to be considered is that millennials want

¹² Examples for functional benefits: organizing shopping, save money, find deals, save time (Sprint 2014).

¹³ Examples for emotional benefits: ease stress of shopping, add fun, thrill of the deal, gain confidence (Sprint 2014).

retailers to engage with them online, without spamming them at the same time. It is essential to have a two way communication where listening and letting them participate is more important than overfeeding them with content. A highly important criteria in doing so is that the communication must be authentic. Since millennials want to share their opinion and ideas, companies should use the opportunity and make them part of the content created around the brand, so called consumer-generated content. Besides attaining an authentic and genuine character, building long term relationships and getting additional insights on their behavior and needs is a positive effect of it. Consumer-generated content is useful for millennials, since they value experiences from others of the same lifestyle situation in order to support their purchase decision.

Moreover it can be inferred that this generation, due to the possibility of fast information and comparisons, is a very price-sensitive cohort always seeking for the best deals (Fromm et al. 2013). This does not mean that they do not want to spend, but they need the feeling to gain something out of the purchase, which provides a functional or/and an emotional benefit. Despite the fact that online purchasing is increasing, the assumption that especially millennials prefer online shopping cannot be confirmed. Brick-and-mortar stores are still necessary, since millennials still want the whole in-store experience (Accenture 2013), which is an advantage for SC. Although there are no studies considering explicitly the European market, the fact that millennials have to be approached differently is prevalent. The necessity arises of investigating the European millennials more precisely.

3. Methodology and data analysis

To get a profound picture of the situation different methodologies are needed. Besides current scientific papers and studies being reviewed in the previous chapter an explanatory sequential

design¹⁴ is applied for further research. This led to the conduction of a quantitative research, followed by a qualitative research in form of a focus group by targeting a specific segment. The online survey¹⁵ was conducted targeting the six European markets where Sierra is present¹⁶ and millennials born in between 1980-2000. The survey was answered by 270 people, under which 32 had to be excluded¹⁷ leading to a valid sample of 238. The following provides the key results

Gender	Counts	Percentage
Female	171	71,85%
Male	67	28,15%
Age Group		
15-20	8	3,36%
21-25	138	57,98%
26-30	73	30,67%
31-35	19	7,98%
Country		
Germany	142	59,66%
Portugal	80	33,61%
Spain	10	4,20%
Italy	5	2,10%
Greece	1	0,42%

Figure 2: Demographics

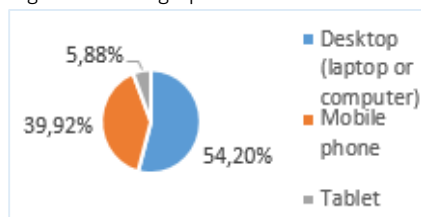


Figure 3: Devices for information search

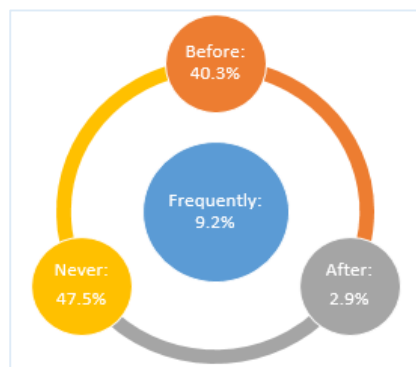


Figure 4: Stage of information search

using SPSS (version 23) and basic statistical applications.¹⁸

Within the valid sample, 71.85% are female. The majority with 59.66% is from Germany and 28.15% from Portugal, presenting two current important Sierra markets (fig. 2).¹⁹

Against higher expectations, the survey showed, fig. 3, that 39.92% of respondents use their mobile phone for information search, while still 60.08% use desktops and

tablets.²⁰ Considering the usage of digital devices depending on the stages in the CDJ, fig. 4 points out that 40.3% go to a SC's homepage before the actual in-store visit to gather mainly basic information,²¹ whereas 47.5% never search for

information at all. Only 2.9% visit the SC sites after, leading to 9.2% of consumers visiting the homepage frequently.

Concerning post-purchase the homepage has a very low penetration, showing that consumers do not have any

¹⁴ A mixed method research is structured, that the initial quantitative research is followed by a qualitative research. This method collects quantitative results and use them to plan the second research. The aim of this approach is to use the qualitative data to support explaining the initial quantitative results (Creswell 2014).

¹⁵ The survey was exclusively distributed online, via survey platforms, social media and emails, to reach only digitally active people. Refer to Appendix 17 in Booklet II for the complete online questionnaire.

¹⁶ Germany, Greece, Italy, Portugal, Romania and Spain

¹⁷ Exclusion necessary to avoid biases of results: respondents working for SC or in the market research of universities; respondents who fall out of the age range or do not live in the Sierra-markets.

¹⁸ Refer to Booklet II for detailed results. Only key data are shown in the following, which are important for the recommendations.

¹⁹ Refer to Appendix 1 in Booklet II for demographics

²⁰ Refer to Appendix 2 in Booklet II for devices used for information search

²¹ As basic information the following are considered: Opening hours, Map, Shops and Services and Location of the centre

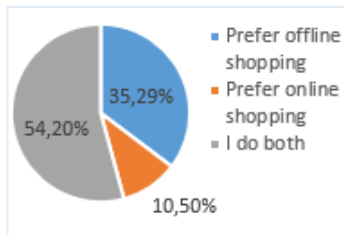


Figure 5: Off- and online shopping

incentives to visit the digital channels. From the respondents 7.6% use a SC app and 16.4 % visit the social media profiles. Fig. 5 shows that offline shopping is still important, since only 10.5% prefer online shopping. Concerning online content it became clear

that from the sample mostly females contribute and follow blogs or would be interested in a SC blog (with 63.74% of all females). Although studies show that millennials want to be engaged in activities and conversations the conducted survey reveals that 67.64% are interested in using services and receiving content, from which only 26.7% want to have an interactions.

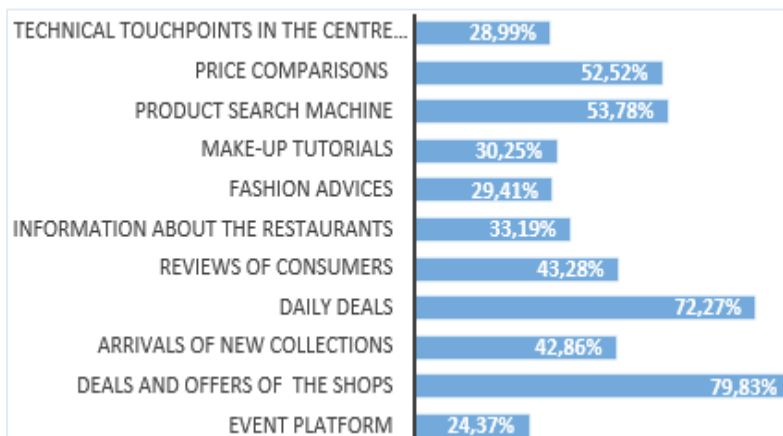


Figure 6: Likelihood to use services from SC (Source fig. 2-6: Online Survey)

Asking for the assessment of platforms that a SC could offer fig. 6²² presents the rating. Since literature exposed that millennials behavior is heterogeneous a deeper investigation is necessary

concerning the profiles. Looking at the relation between specific variables, the analyzation proves that specifically the variable *gender* had a significant influence on answers.²³ Besides the event platform, all others rejected the null hypothesis,²⁴ meaning there is a significant correlation and thus, the perception of the services depends on gender. Especially the fashion platform showed the strongest correlation.²⁵ Testing further interactions between the variable *age group* and the services, no correlation could be found, meaning that among millennials there is no significant difference concerning age and preferences.²⁶ Results confirm for

²² Considering only the positive answers, 4 (likely) and 5 (very likely), rated on a 5 point Likert scale, excluding services with a positive answers smaller than 20%.

²³ In order to find interactions between variables and proof hypothesis a contingency table was created, with the support of the chi-square test to proof its significance.

²⁴ H_0 : There is no correlation between gender and the likelihood to use the service; H_1 : there is a correlation between the variables. H_0 can be rejected since $p < 0.05$, H_1 can be validated.

²⁵ A moderate correlation can be proofed with a phi coefficient of $\phi = -0,348$ concerning F4M.

²⁶ Refer to Appendix 7/8/9 in Booklet II for all performed Chi-square tests

European millennials that saving money and making a good deal is highly vital, since the discount platform was ranked the highest.²⁷

After analyzing it became clear that results of the quantitative research show which devices are used in which phase of the journey and on the perception of the current projects and additional service ideas. Gathering valid output concerning detailed content and design of the digital service was not achievable. Hence, it was relevant to gain deeper insights on what exactly is expected by the consumer choosing a target segment. A focus group was conducted by a pre-selected homogenous group having relevant characteristics.²⁸ Females were chosen as a first important segment to gain further insights and approach it adequately and individually, since it is of great importance that brands personalize the relationships with their key targets (Fromm et al. 2013).²⁹ A complete transcript seems unnecessary and does not serve the purpose of this study, which is the reason for a summary³⁰ including key results on important findings. Decisive results are integrated into the next chapter concerning recommendations and conclusions.

4. Proposals for the development of the digital strategy

This section provides improvements of current Sierra projects in order to benefit better from already established ideas and platforms. Moreover new services that should be considered for the digital strategy are presented. Proposals are assigned corresponding to the stages of the CDJ, where they have the most influential effect on millennials according to the research and keeping in mind the four factors that should be fulfilled.³¹ The devices which should be used according to consumer's preferences will be addressed as well. The following does not serve as a completely defined digital strategy but provides important elements that have to be integrated.

²⁷ Referred from the fact that "price comparisons, daily deals, and deals and offers of the shops were much more likely to use than other platforms. This was also proved during the focus group, since this characteristic was omnipresent in each of the topics discussed.

²⁸ The focus group was conducted with female millennials, since survey results showed that they are more likely to use digital services of a SC. The company is in the first phase of developing those service, thus, a focus should be done on the most potential segment first.

²⁹ Focus groups are advantageous at this point since they allow for three different types of information which are individual, group level information and insights generated on the participant's actions (Onwuegbuzie et al. 2009). This can lead to a spontaneous frame creating unplanned discussions of topics, which can be of great value to the study. This is necessary especially for the prevalent topic of digital services and content, since innovative offers and needs of millennial consumers want to be discovered.

³⁰ Refer to Appendix 15 in Booklet II for focus group summary and analysis.

³¹ Refer to chapter 2 and appendix 16 in Booklet II for Criteria for the new CDJ and the proposals.

First, some basic characteristics have to be considered. Respondents showed high interest concerning different content services generally and mentioned many different platforms and blogs they are following, which are mostly directly from brands or bloggers. Asking if any of these services could be provided from a SC, participants remained quiet and further discussions demonstrated that content services are not likely to be associated with a SC.³² Although there is demand for specific services it takes a while to transfer the idea of a SC being more than just a physical place to shop. Thus more stimuli are necessary to make millennials aware of them. Another finding, is that a value proposition is always needed, proofing the fact that benefits, whether emotional or functional, are a key for any service. One of the most important characteristic, shown in both researches, is the price sensitivity of millennials and the satisfaction of making a good deal, combining both types of benefits. Moreover important terms that appeared during the focus group concerning each topic were *personalization* and *authenticity*, required for any content provided.

4.1 Current projects of Sonae Sierra

4.1.1 Promofans – Spread the word³³

Issue: The discount platform was in both researches the most popular, independent of age and gender.³⁴ Therefore it is necessary to exploit the full potential of this service. Although rated positively the level of awareness of the platform's existence is low. Moreover the majority of interviewees being familiar with the platform are reluctant to use it, due to a lack of knowledge of functionality or unappealing discounts.

Recommendation: In order to make consumers aware of PF, in-store advertising and experiencing is necessary to get familiar with it. Besides existing banners, the combination of offline digital devices can be supportive. The digital touchpoints in the SC should promote the

³² Observed by the assessor present in the focus group

³³ Refer to Appendix 10 in Booklet II for results about promofans, on which the recommendations are based

³⁴ Phi coefficient of -0,184, showing no or only a weak correlation between the tested variables.

platform and consumers need the possibility to use it. Moreover, a first usage of vouchers, either from a direct printer integrated to the touch point or by sending it to their mobile device, should be provided in relation with a special first-time offer for registering. Independent of the used device for PF, a small video or flowchart³⁵ must be available, showing in simple steps the easy procedure of redeeming the vouchers. The discount categories should be focused on clothing and restaurants. Hence, tenants providing these, have to be convinced in feeding the platform with more appealing content. Since millennials seek for personalization,³⁶ registering consumer's favorite products must be possible. Connecting the system with their email address in order to inform millennials in case the relevant product is on discount would be an additional extraordinary service. PF should be expanded into other markets, since research shows that especially German millennials are eager to use it.

Benefits are the increased usage of PF among millennials and, thus, creating a relationship with them in early stages of the CDJ, although PF is a perfect service accompanying throughout the whole journey. A constant conversation can be reached and important customer data and insights about behaviors and preferences can be gathered with the personalized email option. The email serves also as a reminder in case PF has not been visited for a long time.

Costs: Since PF is already established a minimum of expenses in the technical area is needed to fulfill the improvements concerning the personalized email function. Moreover costs for implementation into other markets can be estimated based on the budget needed in Portugal. Costs for promotion can result from the existing marketing fund of each SC.³⁷

4.1.2 F4M – A fashion world of inspiration

Issue: The fashion recommendations platform showed high interest among female millennials in both researches. The first reaction within the focus group showed a positive, surprised

³⁵ Refer to Appendix 10a in Booklet II for an illustrative example.

³⁶ This characteristic stated in chapter 2, was confirmed multiple in the focus group concerning PF as well.

³⁷ The marketing fund is made up of a contribution of the tenants, which is included in their monthly rent. Sierra can use this budget for different marketing activities which serve the tenants.

attitude, since a curator for one SC was a state-of-the-art platform to them. Nonetheless high potential for improvement is existent to attract for regular usage and compete with other fashion platforms, since a lot of points were mentioned during the focus group, destroying the value of the idea.

Recommendation: The personalization factor is of great importance. The wish list³⁸ is a step in the right directions adding value to the CDJ since it facilitates the shopping.³⁹ Filters, in order to show only product categories of interest must be integrated and the creation of special topics is desired among women.⁴⁰ The person responsible for the content should provide a weekly special topic, like “*get dressed for summer*” or “*the perfect Christmas outfit*” in order to create content of higher quality, by telling a story around the product, offering a world of inspiration.⁴¹ Topics do not only have to be seasonal, demonstrating another example like *make it yours*, showing famous people and how to copy the outfit in a cheaper way with the SC brands. The first glance on the site, in terms of design and functionality, decides about the perception of the platform and if it incentivizes to visit the SC.⁴² Therefore in accordance with the idea the whole design must be appealing. A unified look of the presented items is necessary for the sophisticated millennials, showing all items in the same manner. Using the most advanced technology is inevitable in order to compete with other blogs or even online shops. A *click and combine*⁴³ function would highly raise the benefit for consumers and make the products more attractive, stimulating to buy the products. Below this option, combinations made by other consumers can be presented serving as further recommendations, fulfilling the desire of having reviews or opinions of their peers.⁴⁴ A simple review text would not be satisfying, since the

³⁸ Users can like products and add them to their wish list and can opt to receive an email with the created list.

³⁹ Focus Group: “I would use that before my shopping trip, creating me a wish list and get in the store to buy the items on my list.”

⁴⁰ Focus Group: “I miss the possibility to put my own input in it- like filtering what exactly I want or click on specific topics like *summer*.”

⁴¹ Focus Group: “[...] create a place of inspiration. Although I normally don’t waste time on scrolling fashion pages, F4M should make it happened and thereby associate the centre with highly recommended fashion”

⁴² “When viewing a website, it takes users less than two-tenths of a second to form a first impression [...]. But it takes a little longer -- about 2.6 seconds -- for a user’s eyes to land on that area of a website that most influences their first impression.” (Missouri University of Science and Technology 2012)

⁴³ A function, allowing to combine all available, recommended items on a mannequin or model by adding and removing items by dragging.

⁴⁴ Refer to Appendix 12 in Booklet II for an illustrative example of the click and combine function integrated in F4M.

likelihood of clothes is objective. Gaining ideas instead, on how to combine selected item is an additional curation to the visitor. In this way the platform is fed with consumer-generated content, increasing the authenticity and allowing for more inspiration. Millennials have the opportunity to get inspired by others. An additional advice is to add sizes, prices and availability as an essential information for millennial women.

Promotion: The same issue occurs as with PF. To reach high penetration the target customers must know about F4M, leading to advertisement in different forms. Besides using the SCs own channels⁴⁵ and the F4M kiosks in the SC⁴⁶, additional external platforms can be helpful for promotion purposes.⁴⁷ Popular fashion blogs can support in making F4M better known. Obviously, the appropriate partners must be figured out for each market always keeping in mind that for the intended aim partners must be chosen who already established a great audience.⁴⁸ Moreover F4M could reach higher attendance by executing an event like a *meet and greet* in the SC using the kiosks, where the curator gives directly personal advices to clients. Thus, customers know the *person behind the scenes* and gain more trust in the platform.

Benefits: All recommendations serve to deliver the customer a value in order to visit the site regularly, followed up by purchasing the recommended items. Creating a world of inspiration makes consumers enjoy emotional value and getting more attached to the site and the brand. The wish list allows to plan the visit before the shopping trip, providing a functional benefit. The advantage compared to competing platforms of brands is that F4M allows for the combination of clothes from all different brands instead of just one, a unique value for the consumer. Due to the referral of other content pages which the consumer already trusts, F4M has the opportunity to create more buzz around the platform, raise awareness and thereby acquire new visitors.

⁴⁵ Advertising through in-store banners, digital screens, website and app, where F4M exist at the moment.

⁴⁶ The F4M kiosk exist in the SCs, a small corner with screens where visitors can use F4M.

⁴⁷ Focus Group: "I follow brands everywhere like on Facebook and Instagram. On Instagram for instance I follow magazine, who link to other blogs or pages which I visit after."

⁴⁸ Examples for most successful bloggers in the Portuguese market are "A pipoca mais doce" or "As nove no meu blog" (Le guide noir 2014)

Costs: The additional onetime expenses would be recreating the whole design and add new functions, which will be the responsibility of the outsourced technical company, where Sierra already has a contract with. Moreover additional costs in terms of wage to the curator seems necessary since he needs more time investment for the content, by creating different weekly topics.

4.1.3 Agenda - Not necessarily targeting millennials in the first phase

The principle recommendation is not to target mainly millennials at present, since among the existing projects it was less likely to be used by the generation.⁴⁹ During the focus group no significant results could be made around the platform. Nonetheless millennials answered that events could be an incentive to visit the SC.⁵⁰ Therefore the primary focus should be to figure out which type of events attracting millennials in order to attach them afterwards to the platform and fill it with suitable content.⁵¹

4.2 New service ideas – Satisfying the millennial's needs

4.2.1 Product search and price comparison - All products under one umbrella

Concerning new, not existing services a product search machine was the most demanded from millennials, followed by a service to make price comparisons.⁵²

Recommendations: These two services could be merged, by giving the customer the opportunity to search a product, compare it functionally to others, locate it in the SC and at the same time compare prices among products. Consumer product reviews should be provided as an extra, below the item.⁵³ To obtain a personalization factor an additional special search option serving as a consultant for the shopping is possible. An illustrative example developed, is that

⁴⁹ Less than 30%; due to time restrictions it was considered as less important as other topics in the focus group and was not part of the discussion. Moreover an event platform was not mentioned during the discussion of additional service ideas and can therefore be neglected for the frame of this work.

⁵⁰ Refer to Appendix 11 in Booklet II for the evaluation of events as an incentive.

⁵¹ Which could not be analyzed through the quantitative survey.

⁵² Refer to Appendix 5 in Booklet II for assessment of different service- and content ideas from SC.

⁵³ Although the focus group showed that reviews of consumers related to fashion is not demanded, millennials appreciate reviews concerning other product categories like sports clothes, facial skincare etc.

consumers should have the option to search for topics instead of just products. Ideas for that are *birthday gift for men*, showing as an output different product ideas including the brand and price. Another idea is the search for shopping lists, like *hiking trip* or *birthday party* providing the customer with a list of products needed, adding store and price information. This service must be available on desktop as well as on mobile.

Promotion: Offline visual tools and digital touch points in the SC should support this service, to make the function popular and to use it in-store while shopping.

Benefits: Although from a technical and logistical point of view this seems pretty complex for the company, the value proposition is huge for the millennial, satisfying different needs and providing the fulfillment of typical research habits. Since millennials use mobile while shopping this service should channel them directly to the SC and tenants websites. Moreover it is not a pure list of products in the SC, but by including the recommendation part, millennials get an extra special value facilitating their shopping.

Costs: The costs are mainly attributed to human resource expenditures, since gathering all products takes time and managing the cooperation with the tenants is necessary to achieve this. Additionally initial costs for the establishment of the function are necessary.

Besides the product search, another commanded digital service is the development of a SC-blog, which can be offered on the website and should be integrated in the app, making the blog the focus for the following chapter including details.

4.2.2 The app and the SC blog: our inspiration – your life!⁵⁴

Issue: The tech-savvy millennials, having a great knowledge about new online offers, do not even know or associate that a SC has its own app and do not realize its added value.⁵⁵ Although the blog was not demanded the most, the implementation is recommended, since the app needs

⁵⁴ Refer to Appendix 15 in Booklet to for the focus group results around the app

⁵⁵ Since the most important reason in visiting SC channels are basic information, at first a homepage seems sufficient for customers according to the survey and the focus group.

a new concept in terms of design and content to incentivize the usage.⁵⁶ The app should be targeted to regular users, where a relationship is already created with the SC brand, people who like to spend time in the SC and want to plunge in a SC world of inspiration.⁵⁷ Besides reaching visitors of the SC, blogging users should be targeted, turning them to SC visitors if satisfied with the blog.⁵⁸

Recommendation: Since a SC is a place where consumers can satisfy all their needs under one roof, the same association should be achieved for the following proposed SC blog, available through the app and desktop.⁵⁹ Like the SC it should serve as a place of inspiration and entertainment. As a consequence the app needs a completely different, more sophisticated approach, since the current app was perceived as very basic and simple.⁶⁰ Content is necessary, which can be performed via creating a SC blog. Topics should be widespread through all categories of the SC approaching a millennial's life in order to add value by telling a story and not selling products. Therefore the creation of topics has multiple ways, where a team must be in charge always looking for millennials interests. Giving only one example, current product launches of brands could be focused. Within this product category, reviews and comparison with same products offered by other brands can be conducted, like comparing face creams. Ideas of that format could be performed due to the help of tenants like *Douglas* or *Sephora*. Moreover new arrivals of collection of the brand are topics of interest, to name one more example.⁶¹

⁵⁶ At the moment only 7.6% of respondents use the app, indicating that the concept needs a change

⁵⁷ Focus Group: "I need to have a reference to the SC in order to use the app [...] I need positive emotions with it, a nice event, good shops, good infrastructure etc." "I would never download the app of something I have never been to." "First, I need to know that an app exists and need to know the value-added for me, which can only happen in the SC."

⁵⁸ A significant relationship was examined between people who are blogging, reading blogs or would use it from a SC with the positive rating of a SC blog. Refer to Appendix 9 in Booklet II for Relation of blog user and potential blog user with SC Blog

⁵⁹ Focus Group: "If I have a relation to a brand I visit the website often and after a while I download the app, therefore also the website is significant."

⁶⁰ In the focus group the app was a major topic, since the survey did not allow for deeper insights, except the fact that the app is barely used. By letting participants testing two different apps valuable conclusion could be drawn for an appropriate successful approach. Since the survey showed that people searching for basic information via the homepage it is obvious that the app needs to provide more value and content.

⁶¹ Arrivals of new collection is likely to be used by 42.86% according to the survey.

So as not to flood the user with random type of content and provide personalized content, the app needs options, filtering the millennial's interests. The salient point is to get the preferences and let them customize the app by asking questions in the beginning. Since speed is a major characteristic in millennial's digital device handling it is essential that the personalization is short-time and not disturbing for the app-experience.

Concerning the design female millennials demand for a state-of-the art design and also admire the look of a blog, stimulating their interest to try the app. Since the app would serve mainly as a blog it is necessary to advance the design in a way that consumer perceive it as a blog.⁶² Each topic needs an interactive icon, where people can decide which icons to follow regularly, having it as a standard on the front page.⁶³ Besides the liked topics, a variety of additional icons should be added occasionally to the front page giving diversified insights, to deliver always new value and create an interesting app. The app can serve as a merge with other Sierra platforms, integrating them as icons as well. A positive effect is, that if the app gains a great audience, the other platforms can gain users as well, since they are promoted through the app. To raise the optical attractiveness of the app the icons should be configured with more interactivity, like for instance changing of front pictures or playing a video. Nonetheless the handling of the app must be user-friendly and should have a clear structure. Once millennials use the app the SC should deploy the effects of push-notifications, greeting the client⁶⁴ and giving him information of interest by entering the SC, like personalized promotions of the day, stores that opened since the last visit or showing specials of the favorite restaurants. This serves as an incentive to visit stores that were not planned before and thereby influence their CDJ. The usage of push-notifications has to be treated very sensitive, since millennials perceive it quickly as annoying. The feeling of having control over the messages must be transmitted as well as the feeling to

⁶² Focus Group: "I liked the second blog way better, since it gives me the association of a blog where I get the incentive to scroll through it and discover helpful and entertaining information. It also has to look high-class and it's necessary that I see that an effort was put in it."

⁶³ Refer to Appendix 13 in Booklet II for Illustrative example of app design with icons of front page

⁶⁴ The term client is used, since it is expected to have more details about the former visitor due to the usage of the app

be pulled not pushed in their decisions. Consequently, it is inevitable integrating a button to disconnect push-notifications. They should only be sent while the client is located in the SC's world of inspiration, and not be disturbed outside of it. Existing, useful functions like *helping finding the car*⁶⁵ and other basic information should be kept in the app.

Besides serving as a blog for the SC, other services need to be part of the app, incentivizing further for regular usage. If a loyalty program of collecting point for purchases made, which can be redeemed in specific stores, is existent, customers should have the opportunity to see in the app the status of their account. Moreover the demand of a product search could also be part of the app.

Promotion: An essential first step is to motivate the consumer to download the app or visit the blog on a desktop. Ads should approach the consumer while being in the SC, meaning in the consideration and purchase stage. Again, the use of offline digital strategies is appropriate. The app can be promoted through the existing platforms, adding links that connects to the blog finding the consumer before the visit. Once the blog is used on desktop there is a higher incentive to try the app. Potential users can be reached also through other channels such as adding the blog to popular blogging listings. Another action that must be integrated are functions to share and like specific blog-articles via a connection to social media. Furthermore it is important to figure out major influencers on social media for this purpose. Sharing their content and thereby start alliances with other bloggers helps in making the blog more popular among blogging users. The bloggers can help promoting the SC blog and vice versa, were both parties benefit.

Benefits: Since creating too many different platforms would confuse the consumer, the app should be developed in a way showing a lot of qualified content in a most compact way allowing

⁶⁵ As well as PF, a map (which has to be more interactive) or cinema schedule

to reach different targets. The app is a great opportunity to apply the new CDJ⁶⁶, meaning to connect the customer to the brand throughout the complete journey. Another benefit of a successful app are the push-notifications, allowing to influence and accompany millennial's journey in the SC. The final aim is to build such strong relationship with the SC brand and offer a broad, helpful variety of content, that even if a consumer is interested in new shoes from *Nike*, the first thought is to search through the SC app for consultancy before thinking about the brand pages itself.

Costs: Besides the technical advancements in terms of design, the main cost would be on human resource expenses. A team is needed who is actively in charge of updating and feeding the blog with qualified content and promote it through other platforms appropriately.

4.3 Offline digital strategies and further on-site services

Issue: The offline strategy has to be coherent with the online offers. These measures help to create a relation with millennials and accelerate the positive, seamless, digital experience in the SC. Research has shown that digital screens catch the attention of visitors, but need to be filled with interesting and inspiring content.⁶⁷

Recommendation: In order to produce appealing content cooperation's with the brands are necessary. An example for type of content is direct content related to the brand, like fashion shows, digital billboards giving information about the product availability or sizes, or other formats like *the story behind the product*.⁶⁸ This serves as an additional promotion for the brands within the whole SC. The SC could profit by asking the stores to display platforms like F4M or PF on their own shop screens in return. Interactivity with digital devices catches further

⁶⁶ This means that after the purchase the consumer bonds directly, entering the loyalty loop, by skipping the consideration of other SC. This effect can be created having a strong relationship with the consumer and satisfying him throughout the whole journey (Edelman et al. 2015)

⁶⁷ Refer to Appendix 14 in Booklet II for Influence of digital screens in the centre

⁶⁸ Focus Group: "I would look at the screen if it contains content about the specific brands, like for example having *Pandora* a short movie could be shown how the jewelry is created. If the content is good, obviously, it would incentivize me to enter this store."

attention, giving the prerequisite to configure the screens user-friendly.⁶⁹ An example are so called photoboxes,⁷⁰ a concept that can be integrated into SCs digital screens, allowing millennials to take selfies.⁷¹ This picture can be posted directly online with the localization of the SC and its logo, creating more buzz around the brand. Offline methods support in leading millennials who use mobile device in-store, to the SC own websites. QR-codes give multiple possibilities for this purpose⁷²:

- Implement codes on digital screens to get further information about the content displayed.
- Items in-store can have codes, educating millennials further about the products (for instance where product was made, ingredients of groceries etc.).
- A code in the food court, showing daily menus and offers at a glance.
- Supermarkets can advert pictures of meals involving QR-codes, showing the millennial easy recipes of the meals and provide a list of the products needed which can be find in the store.

Another huge possibility to create a closer relationship with millennials are small happenings in the SC to connect the real shopping experience with online content. A developed example is the so called *look in the bag*, where a small team of the SC is asking millennials to see what is in their bags and let them talk about their purchased items.⁷³ This should be recorded and afterwards uploaded, as a small video on different channels.⁷⁴ People can be incentivized to participate by offering them a voucher for their next purchase. This does not only build brand awareness and gets the attention of the content contributors, but does also serve as user-generated content and thereby as a form of reviews of products for people using the blog. There is no limit to creativity in developing further happenings of this format.

⁶⁹ Focus Group: "I like the idea of interacting with the screens in order to find exactly what I want to know [...] or just to have fun in trying it out. But mostly I do not like those digital devices because there are not user-friendly. I always have to push the screens ten times to get where I want to be and if they do not work I just abandon them quickly"

⁷⁰ Digital screens, where consumer can make selfies, sending it directly to their email or post it on Social Media via the digital device.

⁷¹ This measure catches especially millennials since taking selfies and chronicle their live is an important part of their life. A study showed that millennials could take up to 25.7000selfies during their life (Glum 2015).

⁷² QR-reader apps are among the top 5 apps most utilized while shopping (Sprint 2014)

⁷³ Focus Group: "I think a blog is cool, but I need the connection with the reality [...] something interactive in the SC. We should be involved in the content creation."

⁷⁴ SC YouTube channel if available, SC blog or front page of the website

A further advice in order to enhance the in-store experience is a development of the SC map, available on mobile. The map provided on the website/app should be more interactive including the option of localizing the consumer to facilitate finding a shop and the right direction. This function is demanded to be similar to google maps, calculating the quickest route. QR-codes should be placed everywhere in the center directing the visitor to the map. The map could also include information about stores that a visitor passes at the moment, like promotions or new arrivals. Thereby an incentive can occur to visit an unplanned store.

Benefits: By creating a seamless experience between off- an online, the SC will be associated through these activities with fun and positive emotions. Moreover by spreading own content through these types of actions in-store, millennials feel better connected to the brand and are more likely to visit and share for instance the blog. Another benefit is that customers have a first touchpoint in the SC to experiences online services through mobile or digital screens.

Costs: Since digital screens are already abundant in most of the SCs, a software is needed to integrate the platforms (F4M or PF) and their usage to the screens. Establishing photoboxes would need an additional installation of cameras. Actions like *look in the bag* can be done in cooperation with media universities, meaning that no considerable costs would occur.

Generally it is highly important keeping in mind that whatever activity is performed a value proposition to the end-consumer is assured, whether it is has functional or emotional value. Creating a close relationship with the millennials and thereby gaining more insights about their behavior makes it possible to turn them from visitors into clients.⁷⁵ Since digital performance is relatively new in the company it is more effective to focus first on specific segments with appropriate services rather than penetrate the market with all ideas at the same time. The current

⁷⁵ Refer to appendix 16 in Booklet II for Criteria for the new CDJ and the proposals

projects should have priority, having a positive response rate in this study in order to build other projects based on information and insights obtained.

5. Limitation and further research

Concerning this study some limitations could be depicted, allowing for further research. First a relatively small sample size is present, which is not representative for the whole population. Moreover the sample was not sufficiently covering Spain, an important Sierra-market. It has to be mentioned that respondents who rated on a Likert scale about the likelihood to use a service with a 3, were excluded since these answers count to a neutral area. This fact should not be completely ignored, since they also represent potential customers. A further research, asking the exact same questions to millennials and non-millennials is useful to detect deeper insights about the differences in their needs. Additionally, other qualitative research could be supportive targeting different homogenous groups, like for instance a male focus group. However it has to be mentioned that focus groups results are often criticized, especially due to a small sample size not being representative. Each previous recommendation is worth an individual analyzation of feasibility from a technical point of view, since the study was mainly concentrated on the consumer view and not the complexity for Sierra. Since borders between existing and new ideas are blurring, a focus should be prospective on how to connect all in a more profound way, defining one digital strategy.

Moreover the possibility of monetizing the projects can be identified including possible revenues. In order to quantify intangible benefits a methods for the measurement of ROE⁷⁶, should be developed. This was not conducted, since it would go beyond the scope of this study. Since no usage was identified concerning digital devices in the post-purchase phase, further investigations can be useful in order to find answers how to connect effectively in this stage. A constant observation of the dynamic environment is inevitable to be successful, since

⁷⁶ Return on engagement

technology and thereby consumer behavior are changing continuously. In this context arising technologies, like virtual scanners to try on clothes digitally,⁷⁷ need attention. Furthermore the future of online shopping trends, its influence and threat on the SC industry should be monitored to detect measures and actions early enough.⁷⁸

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⁷⁷ A new technology allowing the consumer to try on clothes virtually on digital screens. These technologies can be beneficial for platforms like F4M in the future.

⁷⁸ See appendix 2 in Booklet II for Off- and online shopping

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